

**BRIDGEVIEW COMMUNITY MENTAL  
HEALTH CENTER  
CLINTON, IOWA**

**FINANCIAL REPORT  
June 30, 2010**

# **BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER**

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# **BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER**

## **Board of Directors**

<b>Name</b>	<b>Title</b>	<b>Term Expires</b>
Lewis Todtz	President	June 11
Tom Lyons	Vice President	June 10
Jennifer Graf	Secretary-Treasurer	June 10
Ruthann Papke	Member	June 12
Patty Bradley	Member	June 10
John Staszewski	Member	June 10
Richard Basden	Member	June 10
Marcia Christensen	Executive Director	Indefinite



**Sitrick & Associates, LLC** *Certified Public Accountants*  
2543 Tech Drive ♦ Bettendorf, Iowa 52722 ♦ Telephone 563-332-8288 FAX 563-332-8456

Sheldon S. Sitrick, CPA (1954 - 1988)  
John N. Sherrick, CPA  
James K. Blake, CPA

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Bridgeview Community Mental Health Center  
Clinton, Iowa

We have audited the accompanying statement of financial position of Bridgeview Community Mental Health Center as of June 30, 2010 and the related statement of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Bridgeview Community Mental Health Center's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bridgeview Community Mental Health Center as of June 30, 2010 and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2010, on our consideration of Bridgeview Community Mental Health Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

*Sitrick & Associates*  
SITRICK & ASSOCIATES, LLC  
Certified Public Accountants

August 18, 2010  
Bettendorf, Iowa

# BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

## Statement of Financial Position

June 30, 2010

### Assets:

#### Current Assets:

Cash	\$	362,402	
Certificates of Deposits		626,193	
Accounts Receivable		214,923	
Grants Receivable		<u>4,940</u>	
Total Current			\$ 1,208,458

#### Property and Equipment:

Office Furniture and Equipment		129,323	
Less: Accumulated Depreciation		<u>(61,135)</u>	
Total Property and Equipment			<u>68,188</u>

Total Assets			<u><u>\$ 1,276,646</u></u>
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### Liabilities:

#### Current Liabilities:

Accounts Payable	\$	20,815	
Other Accrued Expenses		5,579	
Accrued Wages		<u>169,222</u>	
Total Current Liabilities			<u>195,616</u>

Total Liabilities			195,616
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#### Net Assets:

Unrestricted			<u>1,081,030</u>
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Total Liabilities and Net Assets			<u><u>\$ 1,276,646</u></u>
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# BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

## Statement of Activities For the Year Ended June 30, 2010

	2010		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and Support:			
Service Fees:			
County	\$ 1,055,000	\$ -	\$ 1,055,000
Habitation	89,729		89,729
Medicare	417,688		417,688
Medicaid	1,291,050		1,291,050
Private Insurance	696,769		696,769
Self Pay	70,546		70,546
Less Adjustments	(926,168)		(926,168)
Grants, Contracts, Fees	264,420		264,420
Donations	3,050		3,050
Other	<u>19,734</u>	<u>-</u>	<u>19,734</u>
Total Revenue and Support	<u>2,981,818</u>	<u>-</u>	<u>2,981,818</u>
Expenses:			
Program Expenses			
Independent Living	320,278		320,278
School SAT	179,616		179,616
School Contracts	108,503		108,503
Clinical	834,955		834,955
Medical	758,604		758,604
Hospital	79,497		79,497
DeWitt	<u>3,579</u>	<u>-</u>	<u>3,579</u>
	2,285,032	-	2,285,032
General and Administrative	<u>623,912</u>	<u>-</u>	<u>623,912</u>
Total Expenses	<u>2,908,944</u>	<u>-</u>	<u>2,908,944</u>
Change in Net Assets	72,874	-	72,874
Net Assets Beginning of Year	<u>1,008,156</u>	<u>-</u>	<u>1,008,156</u>
Net Assets End of Year	<u>\$ 1,081,030</u>	<u>\$ -</u>	<u>\$ 1,081,030</u>

The Notes to Financial Statements are an integral part of this statement

# BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

## Statement of Cash Flows

For the Year Ended to June 30, 2010

Cash flows from (used in) Operating Activities:	
Excess of revenue over expenses	\$ 72,874
Adjustments to reconcile change in assets	
to net cash from operating activities:	
Depreciation	28,925
Decrease (increase) in operating assets:	
Accounts Receivable	7,027
Other Receivables	16,552
Increase (decrease) in Operating Liabilities:	
Accounts payable	(34,865)
Other accrued expenses	(59,726)
Accrued wages	<u>43,132</u>
Net cash flows from Operating Activities	<u>73,919</u>
Cash Flows from (used in) Investing Activities:	
Purchase of Furniture & Equipment	<u>(8,817)</u>
Net Cash Used in Investing Activities	<u>(8,817)</u>
Cash Flows from (used in) Financing Activities:	
Repayment of Notes	<u>-</u>
Net Cash Provided by Financing Activities	<u>-</u>
Net (Decrease) Increase in Cash	65,102
Cash Beginning of Year	<u>923,493</u>
Cash End of Year	<u><u>\$ 988,595</u></u>

The Notes to Financial Statements are an integral part of this statement

# BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

Statement of Functional Expenses  
For the Year Ended June 30, 2010

## PROGRAM SERVICES

	Independent Living	School SAT	School Contracts	Clinical	Medical	Hospital	DeWitt	Program Services	General & Administrative	Total
Salaries and Wages	\$ 197,656	\$ 144,439	\$ 85,709	\$ 621,873	\$ 455,599	\$ 63,269	\$ 2,825	\$ 1,571,370	\$ 319,997	\$ 1,891,367
Payroll Taxes	15,105	10,642	6,434	45,393	28,503	2,833	224	109,134	24,606	133,740
Employee Benefits	56,024	13,994	14,191	115,143	30,744	4,684	(12)	234,768	82,766	317,534
Insurance	-	-	-	-	2,749	1,273	-	4,022	7,497	11,519
Advertising	-	-	-	-	-	-	-	-	18,709	18,709
Staff Development	1,172	1,028	115	4,165	34,719	7,073	-	48,272	526	48,798
Dues, Fees, Licenses	350	-	-	580	3,045	365	-	4,340	7,690	12,030
Rent, Utilities, Phone	25,293	5,617	188	34,514	9,919	-	480	76,011	33,883	109,894
Supplies	14,828	698	-	8,406	2,983	-	-	26,915	34,930	61,845
Professional Services	1,049	-	-	2,388	189,565	-	-	193,002	49,370	242,372
Equipment	613	-	-	2,394	778	-	-	3,785	14,019	17,804
Mileage	8,188	3,198	1,866	99	-	-	62	13,413	994	14,407
Depreciation	-	-	-	-	-	-	-	-	28,925	28,925
Total Expenses	\$ 320,278	\$ 179,616	\$ 108,503	\$ 834,955	\$ 758,604	\$ 79,497	\$ 3,579	\$ 2,285,032	\$ 623,912	\$ 2,908,944

The Notes to Financial Statements are an integral part of this statement.



# BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

## Notes to Financial Statements

June 30, 2010

### Note 1 - Summary of Significant Accounting Policies

Nature of Activities - Bridgeview Community Mental Health Center (Center) provides comprehensive, caring, quality mental health services to individuals in Clinton County, Iowa and surrounding areas. As such, the Center is subject to the business risk associated with that industry in the Clinton County, Iowa area.

Basis of Presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Date of Management's Review - Subsequent events were evaluated through August 18, 2010, which is the date the financial statements were available to be issued.

Cash and Cash Equivalents - For purposes of the statements of cash flows, the Center considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable - Accounts receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables from grants, contracts, Medicaid/Medicare, and others. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

Fixed Assets - Fixed assets acquired by Bridgeview Community Mental Health Center through restricted grant contributions are considered to be owned by Bridgeview Community Mental Health Center. Some funding sources may have a reversionary interest in the property as well as the determination of use of any proceeds from the sale of these assets.

Bridgeview Community Mental Health Center follows the practice of capitalizing all expenditures for property, furniture, fixtures and office equipment in excess of \$500. Depreciation or amortization of all such items is computed on a straight-line basis over the estimated useful lives of the assets generally as follows:

Furniture and equipment	5-7 years
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# BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

## Notes to Financial Statements

June 30, 2010

### Note 1 - Summary of Significant Accounting Policies (Continued)

Contributions - All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions. Bridgeview Community Mental Health Center had no temporarily or permanently restricted net assets in 2010.

Service Revenues - Patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors. And others for services rendered, including estimate retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future period as final settlements are determined.

Income Taxes - The Center is exempt from income taxes as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code and under state income tax code.

Compensated Absences - The Center employees accumulate a limited amount of earned but unused vacation and personal day benefits payable to the employee. Amounts representing the cost of compensated absences are recorded as liabilities and have been computed based on current rates of pay.

Contributed Services - During the year ended June 30, 2010 the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

#### Functional Allocation of Expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. No fund-raising expenses are included in general and administrative expenses.

# BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

## Notes to Financial Statements

June 30, 2010

### Note 2 - Property and Equipment

Fixed Assets are summarized as follows:

	<u>2010</u>
Office equipment	\$ 91,664
Vehicles	<u>37,659</u>
Accumulated Depreciation	<u>(61,135)</u>
	<u>\$ 68,188</u>

### Note 3 – Accounts Receivable

Accounts receivable of the Center on June 30, 2010 totaled \$383,861. Based on past collection experience, management has provided for an allowance for adjustments and doubtful accounts of \$168,938 of the receivable balance.

### Note 4 – Revenue

Approximately 48 percent of 2010 revenue was derived under federal and state third-party reimbursement programs. These revenues are based in part, on cost reimbursement principles and are subject to audit and retroactive adjustment by the respective third-party fiscal intermediaries. Laws and regulations governing these programs are extremely complex and subject to interpretation. As a result there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

### Note 5 – Economic Dependence

The Center receives a substantial amount of its support from local county government. A significant reduction in the level of this support, if this were to occur, may have an effect on the Center's programs and activities. A large portion of the Center's revenue from patient fees are paid by third-party reimbursement whereby patients qualify for funding through title XIX of the Federal Social Security Act. Changes in the level of funding for this program could have a considerable effect on the patients' ability to pay for services provided.

## BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

### Notes to Financial Statements

June 30, 2010

#### Note 6 – Leases

As of June 30, 2010, the Center had entered into various noncancelable operating lease agreements for the rental of office and residential facilities, expiring from July 2011 to June 2016. Minimum rentals, on an annual basis, are as follows:

Fiscal year ending June 30, 2011	\$ 94,020
2012	62,586
2013	63,522
2014	63,522
2015	63,522
Thereafter	<u>124,782</u>
	<u>\$ 471,954</u>

#### Note 7 – Retirement Plan

The Center has a defined contribution 401(k) retirement plan for substantially all full time employees. The employer match contribution to the plan equals 100% of the first 3% of gross pay that an employee contributes to the plan and 50% of the employees next 2% of gross pay that an employee contribute to the plan. The amount included in the expenses for the year ended June 30, 2010 is approximately \$59,075.



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Bridgeview Community Mental Health Center  
Clinton, Iowa

We have audited the financial statements of Bridgeview Community Mental Health Center (a nonprofit organization) as of and for the year ended June 30, 2010, and have issued our report thereon dated August 18, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Bridgeview Community Mental Health Center's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bridgeview Community Mental Health Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and responses as item 2010-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bridgeview Community Mental Health Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Bridgeview Community Mental Health Center's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Bridgeview Community Mental Health Center's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the audit committee, Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

August 18, 2010  
Bettendorf, Iowa

*Sitrick & Associates*  
SITRICK & ASSOCIATES, LLC  
Certified Public Accountants

**BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER**

Schedule Findings and Responses

June 30, 2010

**2010-1**

Condition

Bank deposits are posted to the accounts receivable system without reconciling the daily totals.

Criteria

The Center should establish procedures to reconcile receipts posted to accounts receivable system to the daily bank deposits.

Effect

Bank deposits could be made without recording the cash receipt in accounts receivable.

Cause

New software was installed which required changes to the daily deposit processes.

Recommendation

We recommend that the Center put procedures in place to reconcile the daily bank deposits to the cash receipts posted to the accounts receivable utilizing the Payment Report Summary.

Management's Response

Procedures will be put in place to reconcile the daily bank deposits to the cash receipts posting in the accounts receivable system.



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## **INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION**

To the Board of Directors of  
Bridgeview Community Mental Health Center

We have audited the financial statements of Bridgeview Community Mental Health Center as of and for the year ended June 30, 2010, and have issued our report thereon dated August 18, 2010, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of schedule of Income and Expenses by department is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Sitrick & Associates*  
SITRICK & ASSOCIATES, LLC  
Certified Public Accountants

August 18, 2010  
Bettendorf, Iowa



# BRIDGEVIEW COMMUNITY MENTAL HEALTH CENTER

## Schedule of Income and Expenses by Department For the Year Ended June 30, 2010

	Independent Living	School SAT	School Contracts	Clinical	Medical
Revenue:					
County	\$ 36,141	\$ 48,720	\$ -	\$ 610,902	\$ 352,637
Habitation	89,729	-	-	-	-
Medicare	-	23,835	-	229,809	142,865
Medicaid	267,548	185,430	-	568,528	252,964
Private Insurance	1,536	95,610	-	437,880	142,137
Self Pay	-	3,225	-	43,596	18,029
Less Adjustments	(8,439)	(124,295)	-	(544,346)	(223,232)
Grants, Contracts, Fees	30,180	20,953	139,413	36,540	37,334
Donations	-	-	-	-	-
Other	-	-	-	-	-
Total Revenue & Support	<u>416,695</u>	<u>253,478</u>	<u>139,413</u>	<u>1,382,909</u>	<u>722,734</u>
Expenses:					
Salaries and Wages	\$ 197,656	\$ 144,439	\$ 85,709	\$ 621,873	\$ 455,599
Payroll Taxes	15,105	10,642	6,434	45,393	28,503
Employee Benefits	56,024	13,994	14,191	115,143	30,744
Insurance	-	-	-	-	2,749
Advertising	-	-	-	-	-
Staff Development	1,172	1,028	115	4,165	34,719
Dues, Fees, Licenses	350	-	-	580	3,045
Rent, Utilities, Phone	25,293	5,617	188	34,514	9,919
Supplies	14,828	698	-	8,406	2,983
Professional Services	1,049	-	-	2,388	189,565
Equipment	613	-	-	2,394	778
Mileage	8,188	3,198	1,866	99	-
Depreciation	-	-	-	-	-
Total Expenses	<u>320,278</u>	<u>179,616</u>	<u>108,503</u>	<u>834,955</u>	<u>758,604</u>
Net Revenue	<u>\$ 96,417</u>	<u>\$ 73,862</u>	<u>\$ 30,910</u>	<u>\$ 547,954</u>	<u>\$ (35,870)</u>

Hospital	DeWitt	General & Administrative	Total
\$ 5,510	\$ 1,090	\$ -	\$ 1,055,000
-	-	-	89,729
19,930	1,249	-	417,688
15,967	613	-	1,291,050
19,060	546	-	696,769
4,876	820	-	70,546
(21,719)	(1,289)	(2,848)	(926,168)
-	-	-	264,420
-	-	3,050	3,050
-	-	19,734	19,734
<u>43,624</u>	<u>3,029</u>	<u>19,936</u>	<u>2,981,818</u>

\$ 63,269	\$ 2,825	\$ 319,997	\$ 1,891,367
2,833	224	24,606	133,740
4,684	(12)	82,766	317,534
1,273	-	7,497	11,519
-	-	18,709	18,709
7,073	-	526	48,798
365	-	7,690	12,030
-	480	33,883	109,894
-	-	34,930	61,845
-	-	49,370	242,372
-	-	14,019	17,804
-	62	994	14,407
-	-	28,925	28,925
<u>79,497</u>	<u>3,579</u>	<u>623,912</u>	<u>2,908,944</u>

\$ (35,873)   \$ (550)   \$ (603,976)   \$ 72,874